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PRESS RELEASE

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City Initiates “Rock Solid Together,” Morro Bay’s Financial and Economic Recovery Plan

Morro Bay, CA – Recognizing the significant hardship imposed by COVID-19 on Morro Bay residents, business community and City finances, the City of Morro Bay has initiated the “Rock Solid Together” Plan. Evoking the strength and endurance of the iconic Morro Rock, Rock Solid Together is the City’s mantra and plan to preserve essential community services and support our business community through the anticipated long recovery process from COVID-19.

“Our community, business owners and their employees, and the City organization have made significant personal and economic sacrifices to reduce the spread of COVID-19,” said Mayor John Heading. “Those social distancing efforts, while disruptive and damaging economically, will save lives. We must also work together through the economic and financial recovery. In that spirit, my fellow City Councilmembers and myself will forgo our stipends for the remainder of this year and will assess waiving the entire next fiscal year soon.”

City management staff anticipate significant budget shortfalls resulting from the collapse of the tourism market in the wake of COVID-19, which will impact the current fiscal year and beyond. In order to get in front of the potential multi-million-dollar impact, the City Manager and Department Head team have taken immediate voluntary salary cuts up to 8%. In addition, City Council invoked the City’s Short-Term Fiscal Emergency plan, which includes an immediate hiring and non-essential travel freeze. Staff is preparing a long-range fiscal strategy to weather this storm for City Council consideration at their April 28, 2020 Council meeting. Morro Bay is a tourist driven economy, and as such City staff are preparing for the worst-case scenario.

Recovery from the COVID-19 stalling of the local economy will require a multi-faceted approach, with the Council, City Manager and Department Head concessions being one pillar, and operational and service review a second pillar. In addition, the City must make

responsible use of its emergency reserves as a third pillar, in order to ensure the City is prepared for any future medical or catastrophic emergency, including preparing our local Police and Fire Departments by preventing service reductions and maintaining rapid 911 emergency response times. Lastly, the City will also engage with State and Federal government representatives and the Morro Bay community about long-term financial sustainability as the final pillar of recovery.

“The road to recovery will be difficult and long,” said City Manager, Scott Collins. “But we are committed to do what is necessary as a united City Team to ensure we continue to put the health and safety of our community first, continue to provide essential City services and resources to our most vulnerable residents. Rock solid together.”

City Council has also prioritized supporting local businesses by strengthening the City’s partnership with the Morro Bay Chamber of Commerce, approving deferral of Transient Occupancy Tax payments, and waiving of penalties for late payments from Tidelands Trust leases. These new efforts, and those already activated by the Chamber, are intended to serve as a financial bridge for businesses to the eventual recovery from COVID-19.

If you would like more information about this topic, please contact City Manager, Scott Collins at scollins@morrobayca.gov or by phone at 805-772-6206.